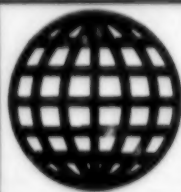


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JPRS Report

Soviet Union

USA: ECONOMICS, POLITICS, IDEOLOGY

No 10, October 1990

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USA: Economics, Politics, Ideology

No 10, October 1990

Economic Aspects of USSR-U.S. Relations

914K0012A Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 10, Oct 90 (signed to press 28 Sep 90) pp 3-8

[Article by Viktor Borisovich Spandaryan, candidate of economic sciences and adviser to director of Institute of U.S. and Canadian Studies]

[Text] The most important results of the summer meeting of the presidents of the USSR and the United States included the signing of a Soviet-American trade agreement and the conclusion of agreements on a broad range of questions of economic and scientific-technical cooperation.

The focal point of the **trade agreement** is the mutual granting of unconditional most-favored-nation status for 3 years, with an automatic extension for the next 3 years. The agreement also includes several other provisions to promote the development of bilateral economic ties, including the following:

More favorable conditions (in the hiring of personnel for joint ventures, access to information, and marketing) for cooperation by American firms with Soviet organizations in the markets of both countries;

The protection of intellectual property rights;

The regulation of mutual financial claims, including lend-lease accounts, paving the way for normal cooperation in the credit sphere.

In addition to the trade agreement, several important documents were signed on the intergovernmental and private levels.

A new 5-year **agreement on shipments of American grain to the USSR** in the amount of 8 million to 14 million tons annually, beginning on 1 January 1990, was concluded. This agreement specifically envisages American subsidies for grain shipments to the USSR, the more precise definition of the grain quality commitments of American suppliers, etc. It will introduce stability into this area in bilateral relations and the world grain market.

The **agreement on air traffic** will considerably expand the geography and increase the frequency of flights, thereby increasing the number of passengers on each side to 500,000 a year (130,000 now), and will therefore be instrumental in eliminating the acute problems of passenger traffic between the two countries.

The **agreement on shipping** will considerably improve the working conditions of the Soviet merchant fleet in the lanes connecting the USSR with the United States. The ships of both countries will have privileged access to the

partner's ports. The right of Soviet ships to transport cargo from the United States to third countries, which they lost in 1980, has been restored, and cooperation in all spheres of shipping will be facilitated.

A memorandum of mutual understanding on the "Culture, Science, Education: USA-USSR" project was signed. In the first phase of the project, which is expected to take 10-15 years in all, the well-known American IBM Corporation will supply Soviet schools with 13,000 personal computers.

In accordance with the **agreement on broader cooperation between the Soviet foreign economic consortium and the American trade consortium**, made up of giant American corporations, 20-25 joint ventures will be established in the USSR for the production of consumer goods, passenger cars, and medical equipment. The agreement also envisages the modernization of Soviet enterprises in the food, medicine, machine-building, and petroleum industries and assistance in carrying out socioeconomic development programs in the Kazakh SSR.

This agreement is closely connected with the **protocol of intentions** concluded by Soviet organizations and the American Chevron Company (a member of the American trade consortium) for the purpose of **establishing the Sovchevroil joint venture** in gas and oil fields in Kazakhstan. Plans call for the construction of a petroleum refining complex equipped with the latest ecologically safe technology.

Resolute steps were also taken to expand scientific-technical cooperation. A joint statement on an international thermonuclear experimental reactor and an agreement on cooperation in world ocean studies were signed on the intergovernmental level, and a joint statement was issued on the establishment of a Soviet-American international park in the Bering Sea region. Plans call for the considerable expansion of student exchanges.

Soviet organizations and American firms are conducting negotiations on shipments of American computers to guarantee the safety of nuclear power engineering in the USSR and the installation of a fiber optics communication system through the territory of Siberia, which would close the global communication circle and would guarantee first-rate service for our own domestic needs and for the Pacific region and Europe.

The conversion of defense branches promises great opportunities for Soviet-American economic and scientific-technical cooperation.

The business community of the American West Coast has expressed interest in the joint exploitation of natural resources in Siberia and the Far East, particularly in connection with the plans for the creation of a free enterprise zone in and around Nakhodka.

When President M.S. Gorbachev of the USSR addressed members of the American business community in Minneapolis and San Francisco, he mentioned several other

promising fields of Soviet-American economic cooperation. They include the development of the Baykal-Amur trunk line and its economic zone, the modernization of the Soviet motor vehicle industry, the joint development of a new generation of civilian aircraft, the launching of American commercial satellites with Soviet boosters (an agreement on this was concluded soon after M.S. Gorbachev returned from the United States: The launches will begin in 1994), interaction in the sphere of agroindustrial technology and production, joint scientific expeditions into outer space, and others.

Both sides still have much to do in the implementation of the trade agreement and other agreements concluded by Soviet organizations with American firms and those resulting from the talks by the presidents of the USSR and United States.

The trade agreement has to be ratified by the parliaments of both countries. Experience has shown that this is far from a formality, especially in the U.S. Congress. The new USSR Supreme Soviet will also be most likely to investigate the trade agreement thoroughly before approving it.

As we know, an earlier trade agreement between the USSR and the United States was signed in 1972 but never went into effect because of the position Congress took: The well-known Jackson-Vanik and Stevenson amendments made the granting of most-favored-nation status and normal credit terms to the USSR impossible.

Now the U.S. Administration is linking the congressional consideration of the trade agreement with the passage of an entry and exit law in the USSR. Because the bill has already gone through its first reading in the USSR Supreme Soviet, it can be expected to be passed soon and thereby eliminate the obstacle to the ratification of the new agreement. It is possible, however, that some congressmen, expressing the views of the still influential opponents of cooperation with the USSR, might make additional demands, particularly with regard to the "Lithuanian question." For this reason, the trade agreement will not be ratified without a struggle.

If the agreement goes into force, it will eliminate discrimination in the customs duties on many Soviet goods entering the United States (sometimes 10 times as high as the regular tariff applied to countries with most-favored-nation status). This will create new opportunities for Soviet exports to the vast American market, especially manufactured goods, and will reduce the chronic deficit in our trade with the United States. The new USSR customs code will go into effect soon. By the terms of this code, preferential customs rates will be offered to countries with which we have trade agreements—i.e., they will extend to American goods entering the Soviet market.

The expansion of Soviet exports and the creation of normal conditions for the crediting of Soviet purchases in the United States will make more sizable imports of American goods possible. The rapid growth of trade in

the near future, however, is unlikely. The main problem for the Soviet side will be the augmentation of the volume and assortment of competitive exports to the United States. The biggest problems for American firms will be the elimination of the numerous restrictions and bans on exports to the USSR and, of course, the struggle for the Soviet market, where West European and Japanese firms have been operating for a long time.

For this reason, the full realization of the colossal potential of Soviet-American economic cooperation will necessitate not only the ratification of the trade agreement, but also considerable effort on both sides to remove the numerous ideological, political, administrative, economic, and even psychological obstructions.

The Americans will have to get rid of the idea that they are "trading with the enemy" and the resulting discriminatory practices in economic and scientific-technical relations with our country. After all, the history of our economic relations with the United States is full of blockades, sanctions, embargoes, bans, and restrictions, which have been imposed by the American side almost continuously since the first days of the Soviet State's existence. We will also have to resolutely discard the ideological stereotypes impeding the free development of economic relations with the United States, particularly the inclination to interpret almost everything as "American imperialist intrigues."

We will need a businesslike and pragmatic approach to the development of Soviet-American economic relations, based on common sense, commercial considerations, and mutual benefit. Any approach encumbered by ideological dogmas and transitory political considerations will undermine the trust and stability needed for broad-scale and long-term economic cooperation.

We have the right to expect an impartial review of the bans and restrictions the American side imposed on trade with the Soviet Union during various stages of the cold war and the competition and confrontation between our countries. As for the American side's fears that high technology might be used for military purposes, as the president of the USSR said in his speech in Minneapolis, confidence-building measures to exclude this possibility can be discussed. If this is possible in the military sphere, it is all the more feasible in the economic sphere.

The steps the U.S. Administration has taken look promising: the removal of some restrictions on trade with the USSR, particularly the U.S.-initiated reduction of the CoCom [Coordinating Committee for Multilateral Export Control] lists of prohibited exports; the authorization of U.S. imports of Soviet nickel; the issuance of licenses for the sale of American computers to Soviet organizations; etc. Nevertheless, the elimination of the numerous barriers impeding the normal development of Soviet-American trade will require much more effort.

Regrettably, we have grown accustomed to getting along without each other and keeping our trade at a minimum.

With rare exceptions, Soviet-American economic relations lack strong and lasting ties, closely intermeshed mutual commercial interests, strong traditions of cooperation, and even an elementary knowledge of one another on the level of ordinary business. Surmounting this mutual alienation is all the more necessary now that thousands of Soviet enterprises, organizations, and agencies have been granted the right to operate in the foreign market, and now that many American firms are discovering the Soviet market.

This could be accomplished through the more vigorous activity of the American-Soviet Trade and Economic Council (ASTEC), the latest annual meeting of which was held in Moscow just before the summit meeting. The sore spots inhibiting the expansion of Soviet-American trade and economic cooperation at a time when political obstacles to the development of bilateral ties are disappearing, were discussed at the council meeting.

A proposal submitted by American businessman S. Chil-ewich warrants consideration: He suggested the immediate creation of a small committee of prominent Soviet and American experts with special decisionmaking powers to define the chief priorities of interaction each year. M.S. Gorbachev supported the idea of establishing a strong mechanism for the administration of USSR-U.S. foreign economic ties, which will now be accomplished by created a special working group of the Soviet-American intergovernmental commission on trade.

According to U.S. Secretary of Commerce R. Mosbacher, the realization of the potential for economic cooperation by the two countries will be promoted by publicizing the trade agreement so that the American and Soviet business communities will be aware of it and will be able to implement its provisions. Another possible method would consist in increasing the number of trade missions and organizing more international trade fairs, including fairs organized by the previously mentioned intergovernmental commission, to encourage American firms and Soviet organizations to establish commercial contacts and conclude business transactions. Another method, of course, is marketing—i.e., the mutual development of markets—by American companies in the USSR and by our organizations in the United States.

The most difficult problem in the development of Soviet-American trade will be the search for compatible spheres in the USSR and U.S. economies. One method of achieving this consists in the current radical economic reform. The decisive transition to a market economy and the organic inclusion of our country in world economic integration processes, the world economy, and international division of labor would create the kind of conditions in which American businessmen, and Western businessmen in general, would feel at home in the Soviet market. This will necessitate the quicker drafting and passage of laws in the customs, currency, banking, investment, tax, and patent spheres and the adoption of

common forms of commercial activity (joint stock companies, mediating and consulting firms, the issuance of securities, etc.).

There must be no procrastination in the passage of the necessary legislative and administrative acts. If we take as long to draft them as, for example, the 4 years it took to draft the customs code, we will lose precious time and we will complicate the transition to a market economy, because genuine market relations are already impossible today without inclusion in the world economy.

Until we have done this, our business partners in the United States and other countries will continue encountering constant and almost insurmountable obstacles in the Soviet market.

American spokesmen at ASTEC meetings, sessions of the intergovernmental commission on trade, private negotiations, and various gatherings, including the meetings with President M.S. Gorbachev of the USSR in Minneapolis and San Francisco, defined these difficulties in the most precise terms. They include the following:

The bureaucratic red tape of the Soviet organizations in charge of matters connected with commercial contacts and transactions;

The unfavorable atmosphere for the operations of joint ventures in the USSR, frequently devoid of the elementary conditions for normal operations because of the absence of facilities, communication equipment, supplies, and personal services.

The nonconvertibility of the ruble, the difficulty of transferring the profits of foreign partners in joint ventures and projects in our country, and the impossibility of their use of the Soviet rubles they earn to pay for goods and services in the USSR;

The absence of the favorable climate, common in world practice, for foreign investment in the Soviet economy, including the necessary guarantees and tax privileges;

Finally, the absence or underdevelopment of the infrastructure for commercial activity in the USSR, including legal, bookkeeping, banking, insurance, informational, and other services meeting world standards.

The plan the administration submitted to the USSR Supreme Soviet for the transition to a regulated market economy has a special section on foreign economic relations. It contains several important provisions. In particular, it advises the preparation of a package of legislative acts covering the entire sphere of foreign economic activity. It also calls for a new foreign economic strategy, a program for the development of the USSR export base and the transition to the convertible ruble, and a new state mechanism for the administration of foreign economic operations. All of this is closely related to the redirection of the national economy into market channels.

The foundation for the reform of foreign economic operations will be laid by their continued liberalization and decentralization, accompanied by effective state regulation, with an emphasis on economic and legal levers.

The basic treaties and contracts of USSR trade with other states and economic groups will also have to be updated, and closer ties will be established with international economic organizations, including the GATT and IMF.

President M.S. Gorbachev of the USSR's meetings and conversations with American businessmen confirmed the importance of, and need for, the immediate inclusion of the Soviet economy in world economic processes, and especially the stepped-up resolution of the key problem of the transition to a convertible ruble. We can assume that the problems disclosed during the visit, problems impeding the development of Soviet-American economic ties, will serve as a catalyst for the institution of the necessary measures to establish favorable conditions for commercial cooperation with the United States and all other countries in the world. In turn, the creation of favorable conditions for the extensive inclusion of the Soviet economy in world economic relations will be of particular importance to the success of the economic reform in the USSR and the establishment of market relations in the country.

When the president of the USSR spoke to the country's Supreme Soviet about the importance of the trade agreement with the United States, he made special mention of the political significance of this act in this crucial phase, the turning point, of perestroika in the Soviet Union. "It means that the American leadership really does trust us," M.S. Gorbachev stressed. "It means that the move from the verbal support of perestroika and verbal wishes of success to real action has begun."

The development of Soviet-American economic cooperation is expected to lay a solid material foundation for the entire range of relations between the two countries, because the dynamics and stability of these relations cannot be expected to meet current requirements without intensive and diverse economic contacts and extensive cooperation in the sphere of science and technology. It was precisely in this context that M.S. Gorbachev advocated the greater economic dependence of the United States of America on the Soviet Union and of the Soviet Union on the United States.

The normalization and development of Soviet-American economic and scientific-technical cooperation will be of great international significance in addition to creating obvious bilateral advantages. It will be important, for example, in stimulating East-West economic relations, settling North-South problems, and strengthening and expanding the activities of international economic organizations when the Soviet Union and East European countries become members of them. The reduction of military-political confrontation and competition

between the USSR and the United States, particularly the reduction of nuclear, chemical, and conventional arms, the settlement of regional conflicts, and the conversion of defense production facilities, will make increasing quantities of material resources available for the resolution of the acute socioeconomic and ecological problems the world community is facing.

Therefore, the trade agreement between the USSR and the United States and the group of agreements on a broad range of economic and scientific-technical questions transcend the boundary of Soviet-American relations because of the role our countries play in today's world. This will give both countries a special responsibility to act on these agreements.

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Issue of Professional Army

914K0012B Moscow SSHA: *EKONOMIKA, POLITIKA, IDEOLOGIYA* in Russian No 10, Oct 90 (signed to press 28 Sep 90) pp 39-41

[Article by Mikhail Abramovich Milshteyn, Lt. Gen., retired, and consultant to Institute of U.S. and Canadian Studies]

[Text] One of the key aspects of the projected military reform in the USSR, and essentially the main topic in discussions of this matter, is the question of future methods of military recruitment. In other words, a choice will have to be made between leaving the law on general military service in its present form or making plans for voluntary enlistment in the armed forces on the basis of contracts—i.e., making plans for the creation of a professional army.

The discussions of the military reform have been going on for a long time on the most diverse levels, including debates in the Committee of the USSR Supreme Soviet on Defense and State Security, in the press, and among military and civilian experts. The most diverse, sometimes conflicting views have been expressed. The main argument against the professional army is its economic disadvantages. The maintenance of a professional army would require a significant increase in military spending. Besides this, according to the supporters of this point of view, the composition of our armed forces is already mixed to some extent. They categorize officers, warrant officers, and other groups of servicemen as professionals. It is wrong, however, to say that our armed forces are distinguished by a composite of recruitment methods, because most of the personnel of the majority of modern armies volunteered for service. The transition to a professional army, even with a mixed composition, will require serious changes in the law on general military service.

A professional army will certainly differ in many respects from the army manned on the basis of the law on general military service. One of the main differences would be the recruitment or hiring of volunteers. In this

case, a young person would choose military service as his career. He would serve on the basis of a contract enumerating his rights and obligations in precise terms. This would give him social protection and financial security. By the same token, it would make higher demands on him in all respects. Of course, there are other differences as well. In any case, there are many factors dictating the necessity and inevitability of our transition to a professional army. One of them is the following.

The army is one of the main elements of the state organism and society, and this is why detrimental processes or crises in the country are reflected in it in one form or another.

The military reform, and especially the transition to a new recruitment procedure, cannot be examined in isolation from these processes. In other words, these matters cannot be settled only on the level of pure theory.

Which factors have to be considered? First of all, military service is losing its earlier appeal. This is specifically attested to by the low enrollment in military academies, the almost complete absence of new volunteers, and the colossal number of people evading military service.

Today it is rare for the call-up and the departure of conscripts for military service to be viewed as a festive occasion, as a cause for celebration by the people who are going into the service and the people who are seeing them off.

The strong sense of responsibility to the country for the performance of military duty is disappearing. It is no coincidence that induction entails great difficulties. The spring recruitment campaign of 1990 in the Baltic republics, the Transcaucasus, and Moldavia was disrupted. Even in Moscow, around one-fourth of the people of draft age were inducted, and in Leningrad it was less than one-fourth.

One out of every ten young men in the country cannot be inducted into military service for reasons of health, and less than 20 percent can be sent to any branch of the armed forces. In 1988, for various reasons, fewer than 58 of every 100 people of induction age were actually inducted, the figure was 49 in 1990, and the anticipated figure in 1993 will be even lower—40.

The negative attitude toward army service is being fostered by the publication of unconstitutional acts in some republics, provoking the evasion of military service, desertion, and the creation of ethnic fighting units, which could have extremely dangerous consequences.

These resolutions are essentially paralyzing the enforcement of union laws on military organizational development, encouraging servicemen to leave their posts, and supporting deserters.

The number of people evading military service is rising. The whereabouts of over 1,500 servicemen and military

construction personnel who are absent without leave from their units are unknown.

Flagrant violations of military regulations in the treatment of young soldiers by their older colleagues and the harassment (or "hazing") of new recruits have been widely publicized lately, and this is also unlikely to enhance the appeal of army service. Besides this, the ethnic friction in several parts of the country extends to the troops. In the absence of the necessary work with the troops, this creates an atmosphere of hatred and hostility in some subunits.

There is also another important problem connected with the present recruitment method. According to the data of the USSR Ministry of Internal Affairs, 212,000 youths of induction age committed crimes last year. Around 44,000 of these offenders joined the army (a third more than in 1980). What branch of the service should they be assigned to, what effect will they have on their subunits, and how much time will their rehabilitation and training take? These and other such questions automatically come up when the potential of the current contingent of new troops, recruited in accordance with the law on general military service, is assessed.

Is it possible that they are sent into military construction units? Then it is not surprising that these units account for 40 percent of all the criminal offenses committed in the Army and Navy last year. In just the first 4 months of this year, 1,700 serious crimes were committed there, and 37 people died.

The continual reduction of armed forces and arms is also influencing the success of recruitment for army service. There is no question that the reductions of army personnel by the Soviet Union, including those made unilaterally, are graphic proof of a real transition to a defensive military doctrine. The numerical strength of our troops has already been reduced by 300,000. Troops are being withdrawn from Hungary and Czechoslovakia. We must not forget, however, that this is only the beginning, and not the end, of the reduction process. The successful completion of the Vienna talks will mean that future reductions will be quicker and will be carried out on an even broader scale. Judging by all indications, however, the decision to reduce the number of armed forces personnel by 500,000 unilaterally was not thoroughly considered in advance. The program for the social, labor, and personal reinstatement of the discharged officers was not worked out in every detail, to put it mildly, and they were left without any social protection.

Unfortunately, these difficulties are affecting not only the officers who were discharged, but also those who have remained in the service. Over 173,000 servicemen have no homes, and the withdrawal of troops from Czechoslovakia and Hungary will add another 25,000 to the total.

Feelings of insecurity and the fear of being included in a troop reduction are unlikely to enhance the appeal of

army service. When a person is discharged prematurely—before he reaches retirement age—there is no law obligating the state and its agencies to find him a job, provide him with housing, take care of his medical needs, provide him with identification papers, etc. On the orders of his superiors, an officer might move with his family, and sometimes even without his family, from one garrison to another, from the GDR to the Far East, for instance, from there to the cis-Carpathian zone, and from there to Armenia or somewhere else. He will not have a home of his own anywhere. When he is discharged, no one wants him. Where should he go and where can he work? No one has any real responsibility for this.

It is no coincidence that 17,500 officers applied for discharges in the past year. Now all of these processes have been escalated dramatically by the negative developments in the country and the army.

For this reason, the fact that part of the population, especially youth, is protesting army and navy service cannot be called a coincidence or a result of intrigues by "hostile forces."

All of this is leading to the dramatic deterioration of discipline and combat training. Under these conditions, it would be extremely difficult, if not impossible, to augment the armed forces with a new and stable contingent of personnel, willing to devote all of their energy and knowledge to this service.

Under these conditions, there is only one solution—the transition to a professional army. In this case, the armed forces would consist of young people who chose—voluntarily, and not because they had to—military service as their profession and decided to devote the best years of their lives to it.

Of course, it would be impossible to transfer all of the armed forces to a new recruitment procedure at once. This would have to be a sequential transition or the creation of an army with a mixed composition. In any case, the most complex and responsible subunits, determining the fighting ability of troops and the combat efficiency of technical equipment and requiring well-trained and well-educated personnel, should be made up of professionals. As for the cost of this kind of army, this is something that will depend on security requirements. Furthermore, the necessary funds can probably be found without an increase in total military spending if the matter is approached without any biases and with a view to state interests rather than personal ones.

It is no coincidence that the armed forces in most of the leading Western countries are made up of volunteers serving on the basis of contracts, and that service in these forces is therefore professional in nature.

The United States had an all-volunteer army until World War II. Understandably, the second world war forced executive and legislative bodies in the United States to pass a law on compulsory military service. In 1972 the selective service system came to an end, and in 1973 the

United States again began manning its armed forces almost completely through volunteer enlistment. A set of measures was worked out to make military service appealing to the young person not only because it would give him an education and a profession, but also because it would offer him financial security.

Sociological and other studies are conducted regularly in the United States to improve the enlistment procedure and increase the number of volunteers meeting specific requirements, especially in education and technical training. The main factors affecting army recruitment, according to these studies, are the following: the possibility of acquiring skills and of choosing the area of service, and eligibility for educational benefits after completing military service.

Nevertheless, the United States is experiencing difficulty in recruiting the necessary number of well-trained and educated volunteers.

In any case, a great deal of useful experience has been accumulated there in manning, maintaining, and training a professional army. It would be useful to study the strong and weak points of this experience carefully and thoroughly before making any decision on the possibility of creating this kind of army in our country.

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Transition to Professional Army

914K0012C Moscow SSHA: *EKONOMIKA, POLITIKA, IDEOLOGIYA* in Russian No 10, Oct 90 (signed to press 28 Sep 90) pp 42-46

[Article by Col.Gen. Varfolomey Vladimirovich Korobushin, doctor of military sciences and Lenin Prize laureate]

[Text] The news media have been more and more insistent in bringing up the question of a professional army, which has been described as a good basis for military reform in the USSR. Some USSR Supreme Soviet deputies have proposed the renunciation of general military service and a transfer to a professional army made up of volunteers. In this process, the terms "professional army" and "mercenary army" are treated as if they are interchangeable, and this tends to confuse the meaning of the different methods of military recruitment. For this reason, we feel there is a need to begin by examining both terms and deciding exactly which kind of army we need.

The mercenary army was an army made up of professional soldiers, primarily foreigners, hired in the Middle Ages by states, cities, and feudal lords to perform military services. The term was widely used until military conscription was introduced in the 18th and 19th centuries. Now there are no mercenary armies in the strict sense of the term, with the exception of the Vatican's Swiss Guard and some mercenary fighting units in the United States, Great Britain, and France. Special military units made up of mercenaries have been created in some states to suppress the national liberation movement. This is why we feel that the term "mercenary army" should be avoided in all future discussions.

The news media, especially the journals OGONEK and NOVOYE VREMYA, the newspapers MOSKOVSKIY KOMSOMOLETS and MOSKOVSKIYE NOVOSTI, and television program "Point of View," and others, address this topic quite frequently. As evidence of the advantages of a professional army, they use unsubstantiated calculations attesting to the alleged economic advantages of maintaining this kind of army and putting an end to negative practices, such as the hazing of new conscripts by their older colleagues. They focus attention on the unhealthy atmosphere and negative mood in the USSR Armed Forces in connection with the deaths of personnel and the harassment and abuse of servicemen. The facts, however, attest to something else. The number of servicemen who died in the Army and Navy as a result of crimes and accidents, for example, decreased by 21 percent in 5 years, between 1984 and 1989, and the number of people convicted of deriding and abusing their fellow-servicemen more than doubled during the same period. The supporters of the professional army in these arguments pay no attention whatsoever to its sociopolitical and military implications.

It would seem that we military cadres should seize this opportunity with both hands and urge the USSR Supreme Soviet to pass a resolution on the creation of a professional army without delay, because we have a direct personal interest in this—financial, moral, and purely professional. Everyone must realize that many of the problems now encountered by officers—from the platoon commander to the minister of defense—would simply not exist in a professional army. The lower turnover rate, for example, would mean that officers would spend less time on the basic training and specialized training of young soldiers and on developing teamwork in subunits. Indoctrination and the reinforcement of military discipline would be simplified considerably.

This line of reasoning, however, would be tantamount to placing selfish personal interests above the interests of the laboring public and the Soviet State. Our officer corps must be given credit for always putting state

interests above personal interests. This is attested to by the entire heroic history of our armed forces. Those who are trying to convince the Soviet people of the opposite and to accuse the military of stagnant thinking and the refusal to listen to "good advice" are clearly displaying a selfish interest in relieving themselves or their intellectual children of the sacred duty and honorable obligation to defend their motherland. Furthermore, it is possible that they are pursuing the even more dangerous goal of dismantling our armed forces.

Some people believe that our army is too big in comparison with the U.S. Army, but for some reason they are ignoring the fact that the Soviet Union, because of its geographic location, is adjacent to or borders on many states and is also surrounded on all sides by American military bases, whereas the United States has a land border with only two neighbors (Mexico and Canada). This raises a logical question: Is our army really that big if it has 3.9 million personnel, while the United States has 3.3 million military personnel, if we include the National Guard?

The army is one of the most important government institutions, and problems connected with its organizational development require thorough and impartial investigation. It is completely wrong to rely on emotions in a matter as important as the defense of the motherland.

In the economic sense, the maintenance of a professional army will place a heavy burden on the country. The cost of maintaining it can be judged from the example of the U.S. Army. More than 50 percent of the American defense budget is used for the maintenance of armed forces personnel,² whereas the figure in our country is below 30 percent.

The results of Ministry of Defense calculations of the cost of maintaining a professional army, including non-recurring expenditures on its initial establishment and the creation of the necessary material base are illustrated in the table.

Estimated Costs of USSR Armed Forces Personnel Maintenance, Housing Construction, and Pension Benefits, for Different Manpower Acquisition Methods, in billions of rubles

Numerical strength of USSR Armed Forces	Method stipulated in existing laws					Volunteer enlistment					Increase in annual costs with volunteer enlistment	
	Annual personnel maintenance, housing, pension expenses	Pay	Social and personal benefits	Housing construction	Pension benefits	Annual personnel maintenance, housing, pension expenses	Pay	Social and personal benefits	Housing construction	Pension benefits	Quantity	Times
						Average monthly pay: R430 for privates, R645 for sergeants, R820 for warrant officers, R950 for officers and generals						
3993	15,055.0	5,766.0	4,804.0	2,045.0	2,440.0	56,485.5	31,020.6	8,909.9	3,375.0	13,180.0	41,377.8	3.75
2500	10,640.0	3,610.0	3,010.0	1,280.0	2,740.0	35,273.0	19,391.0	5,522.0	2,110.0	8,250.0	24,633.0	3.32

Estimated Costs of USSR Armed Forces Personnel Maintenance, Housing Construction, and Pension Benefits, for Different Manpower Acquisition Methods, in billions of rubles (Continued)

Numerical strength of USSR Armed Forces	Method stipulated in existing laws					Volunteer enlistment					Increase in annual costs with volunteer enlistment	
	Annual personnel maintenance, housing, pension expenses	Pay	Social and personal benefits	Housing construction	Pension benefits	Annual personnel maintenance, housing, pension expenses	Pay	Social and personal benefits	Housing construction	Pension benefits	Quantity	Times
						Average monthly pay: R500 for privates, R750 for sergeants, R950 for warrant officers, R1,100 for officers and generals						
3993	15,055.0	5,766.0	4,804.0	2,045.0	2,440.0	63,622.0	36,010.0	8,907.0	3,375.0	15,330.0	48,567.0	4.23
2500	10,640.0	3,610.0	3,010.0	1,280.0	2,740.0	39,772.0	22,550.0	5,522.0	21,100.0	9,590.0	29,132.0	3.74

The projected cost of maintaining the armed forces was based on the following assumptions:

1. The numerical strength of the USSR Armed Forces was 3.993 million as of 1 January 1990, but one of the projected options in the event of deep cuts in forces and arms stipulates a numerical strength of 2.5 million.

The defense budget of the USSR for 1990, totaling 70.975 billion rubles [R], was taken as the basis for the calculations. The basic expenditure items in the budget, connected with purchases of weapons and materiel, research and development, military organizational development, and others, totaling R55.92 billion, were assumed to be applicable to the professional and the current army.

The main change, reflecting the dynamics of the growth of expenditures due to a change in recruitment methods, would be in the cost of housing and pension benefits for personnel, which totaled R15.055 in 1990.

2. The pay for privates in the ground forces for the first year of service would be R350 and R400 a month. Seniority, regional wage differentials, and higher proficiency ratings would bring the figures up to R430 and R500 respectively (the average monthly wage of workers and employees in the USSR is R254). The pay of sergeants, warrant officers, and officers and generals was increased in proportions corresponding to those in industry (1.5; 1.9; 2.2 times as high as the basic wage).

The pay of sailors (or soldiers), warrant officers, officers and admirals (or generals) in the Navy and Air Force, because of the distinctive features of these branches, was set at 15, 12, and 13 percent above the pay of ground forces respectively.

3. Social and personal benefits include expenditures on food, medical and convalescent services, utilities, postal and telegraph expenses, household operating costs, rail travel, uniforms, and others, and represent around 30 percent of the annual expenditures on personnel maintenance.

4. Non-recurring expenditures on social and consumer facilities will include the cost of remodeling existing barracks and cafeterias and building new ones and of enlarging the network of medical clinics and convalescent establishments, boarding houses of the hotel type for the families of privates, houses for sergeants, officers and generals, schools, kindergartens, and nurseries, and are not included in the total annual expenditures. They will amount to 6.2-10 billion rubles.

5. Expenditures on the combat training of a professional army, material and technical equipment, and the development of the training base will be from three to five times as high as current costs.

6. Volunteer enlistment will increase the expenditures connected with the construction of housing and social and consumer facilities and the development of food supplies. Total expenditures will be proportional to the number of warrant officers, officers, and generals in the armed forces. The projected increase has been set at 65 percent.

7. Expenditures on the pension benefits of servicemen have been increased by an average of 6 percent to cover officers and generals discharged during Army and Navy personnel reductions.

The calculations show that volunteer enlistment will increase annual expenditures on Army and Navy maintenance from 10.6-15 billion rubles to 35.3-63.6 billion rubles, depending on the numerical strength of the armed forces and the size of salaries. In other words, they will be from 3.3 to 4.2 times as high, and approximately 5 times as high if we include the higher costs of combat training and the military and technical equipment for the professional army, as well as non-recurring expenditures on the construction of social and consumer facilities.

Some people might believe that this kind of army could be created without hurting the society's intellectual and labor potential, but we must point out that a professional army will need primarily the young people who are well-educated (including those with a higher education),

absolutely healthy, disciplined, and highly patriotic—in short, far from the worst segment of society—and these people will have to be paid well for their military service.

A salary of 200-250 rubles has been proposed for our professional soldiers, while the overwhelming majority of skilled workers and bus drivers, not to mention managers of cooperatives, now earn 500 or more rubles a month and live and work in an atmosphere far preferable to that of the serviceman.

At this time there are serious problems in the contracted recruitment of such personnel categories as Army and Navy warrant officers and extended-service military personnel—i.e., professionals. They represent the following percentages of staff positions in the following areas: 64-82 percent in groups of forces abroad, 30-40 percent in the military districts of the country's south-western regions, 32 percent in the transpolar zone and Kamchatka, and 14-15 percent in remote locations with extreme climates. They are paid around R300 in the central regions and as much as R650 in the Far North, Kamchatka, and abroad. Besides this, they are eligible for certain benefits and additional financial compensation.

These figures testify that some deputies and journalists have an excessively superficial view of the creation of a professional Army and Navy. Even if a law is passed in the country to turn the army into a professional service, this will lead to many vacancies in staff positions and will increase maintenance costs several times over even if there are only negligible reductions in troop strength.

It is true that the combat proficiency of a professional might be higher than that of a soldier who serves 2 years, but comparisons with the U.S. Army indicate that our soldiers are at least as good, especially in teamwork in subunits.

Another aspect of the problem is sociopolitical. General military service is most consistent with the principles of the socialist state and social justice, which, in their original, undistorted form, envisage the equality of all citizens before the law, universal defense of the state, and the obligation of each citizen to prepare himself and be prepared to defend the socialist fatherland. Even today, the overwhelming majority of Soviet people still acknowledge that our army is an excellent school for the indoctrination of the Soviet citizen, a patriot of his homeland, always prepared to come to its aid.

Our Army and Navy, which are an integral part of the Soviet population, are also participating actively in perestroika and the acceleration of the country's socio-economic development. Recently, particularly in light of the country's economic difficulties, our army has ceased to be a consumer of material, labor, and financial resources and is turning into a force capable of returning part of these resources to the state and the people and making a real contribution to the economy.

The agricultural enterprises of the Ministry of Defense, for example, cover Army and Navy needs in the following amounts: 2.5 months for meat, 6.5 months for eggs, 4 months for potatoes and vegetables, and the total annual needs of preschool and medical establishments for milk.

Road construction brigades of the Ministry of Defense are expected to build 1,200 kilometers of roads in the most remote locations of Russia at an estimated cost of R170 million in 1989 and 1990.

Our soldiers were the first to come to the aid of the people after the natural disasters in Armenia and the accident at the Chernobyl nuclear power plant.

People are criticizing us for this selfless aid and economic activity, saying that this lowers the quality of combat training. Of course, the professional army will not do these things because aid will not be written into the contract of the professional soldier, but this is the distinction of our army, a genuine people's army. It lives with the people and shares their interests and concerns.

In the military sense, the transition to a professional army would lessen our potential to form and maintain the trained reserves needed for the deployment of the armed forces in wartime. The training of these reserves is conducted in all of the NATO bloc countries, irrespective of their recruitment procedures, and sizable sums are allocated for this. In this case, we will also have to call up more military reservists for training sessions, requiring additional expenditures, and these will amount to sizable sums because the reservists are paid a full month's wages for the sessions. Besides this, keeping skilled workers and engineering personnel out of the work force for long periods of time will have an adverse effect on the fulfillment of national economic plans.

Does all of this mean that we in the military categorically deny all of the positive features of the professional army? Of course not. Even today a third of the basic nucleus of the army consists of professionals. These are officers, warrant officers, extended-service military personnel, and women in the military. We believe the professionalization of the army should be encouraged. We would like to have professional servicemen in junior command positions and among the specialists determining the combat readiness of subunits and units, particularly in missile forces, in the Navy, in air defense forces, and in the Air Force, but this is something we expect in the future.

The USSR minister of defense decided to conduct an experiment in the Navy, where the 2-year term of service for sailors and petty officers could create great difficulties because the reduced term of service will not produce properly trained naval shore units.

In connection with this, a 3-year contract for sailors and petty officers will be tested in 1991.

If the experiment is successful, contracted service could extend to other branches of the armed forces, the experience in composite recruitment procedures could be accumulated and summarized by 1995, and the method would then be tested on a broader scale in the third stage.

In my opinion, general military service combined with volunteer enlistment by sergeants and soldiers for contracted military service represents the most acceptable recruitment method for the present and the near future.

Footnotes

1. According to official Pentagon data announced in Washington, there were 2,063,743 people in the Armed Forces of the United States on 30 April 1990, counting the cadets of the military academies. The figure did not include more than 74,000 people in the Armed Forces Reserves and the American Corps of Engineers, whose salaries are not covered by Defense Department expenditures—Ed.

2. Academician G.A. Arbatov, director of the Institute of U.S. and Canadian Studies, USSR Academy of Sciences, cited another figure in OGONEK (1990, No 17): The Pentagon spends 26-27 percent of its annual budget on the maintenance of armed forces personnel—Ed.

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Armed Forces: Quality and Quantity

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[Text] The quality characteristics of the armed forces represent a particularly acute problem today, and this is true of the armies of virtually all developed countries. In general, the quality of the armed forces is made up of three main groups of parameters: the quality of personnel (taking in numerous elements, from educational level, physical fitness, and mastery of weapons systems and equipment to emotional and psychological factors); the quality of the weapons and materiel themselves, including military command, control, communication and intelligence systems; the quality and adequacy of the infrastructure, which should secure the effective functioning of the entire military mechanism whenever necessary (the existence of the necessary repair facilities, warehouse reserves, and production base to supply the armed forces with ammunition, spare parts, and fuel).

Whereas the quality of weapons and materiel has no direct connection with recruitment procedures, the quality of personnel and the functioning of the support infrastructure do depend largely on this. The problem has become particularly acute recently for several reasons. Above all, the increasing technical complexity of

modern weapons and military equipment systems is making ever higher demands on the education and training of personnel. The colossal destructive force of modern weapons has compounded the cost of professionally incompetent or irresponsible actions by servicemen, and this makes absolutely new demands on their emotional and psychological characteristics.

Finally, the changes in world politics and the stepped-up process of force and arms reduction provide grounds for the assumption that problems in safeguarding the military security of states will be solved with much smaller armies and quantities of weapons in the future military structures, the bases of which have to be laid now, and this, in turn, will make higher demands on the quality of personnel.

The need for the emphasis on quality in matters of military organizational development has been announced repeatedly by our military leadership. When D.T. Yazov was interviewed by KRASNAYA ZVEZDA and was describing the policy of perestroika in the organization of Soviet defenses, he stressed that this was not "a tactical move or temporary deviation. It is of a fundamental nature. Our views on national and general security will be revised radically. We will make a transition from 'mirror-image' responses to developments and improvements in the other side's weapons to asymmetrical but equivalent responses to threats, from quantitative guidelines in the organization of defenses to primarily qualitative ones."¹

In this kind of situation it is particularly important to analyze the methods being used to solve the problem of the quality of armed forces personnel in the armies of other developed countries, especially the United States. Of course, even the most impressive experience cannot be applied automatically under different national and historical conditions, but the study of this experience will be an absolutely necessary step in choosing the best approach to the resolution of this problem.

U.S. Return to Volunteer, Contract Principle of Armed Forces Recruitment in 1973

It is significant that the recruitment procedure based on compulsory military service was used only three times in all U.S. history, and whereas the first two cases were in times of war—the Civil War in 1863 and World War I in 1917-1918—the third period began in wartime 1940 but extended to a long period of peace. Compulsory military service was rescinded for only 1 year (in 1947) and was then restored in 1948 and was reinforced that same year by a special law, which was then repeatedly renewed. The system continued to exist until 1973. Of course, the 1948-1973 period can only be defined as a "time of peace" with some reservations, because it was at that time that the United States fought wars in Korea and Vietnam, not to mention the cold war, which set the guidelines for military organizational development.

For us today, it is important to review the factors causing the American leadership to begin a serious investigation of the recruitment procedure and the difficulties it

encountered at the beginning of the transition from compulsory service to volunteer enlistment. An analysis of the reasons for the United States' return to volunteer enlistment indicates that some of the main ones were the widespread public opposition to the war in Vietnam, the reluctance of youths to serve in the armed forces, and the decline of morale and discipline in the army.

In June 1966 the House Committee on the Armed Services received the results of the first investigation of the problems of transferring to volunteer enlistment. The next phase of the investigation was the creation of two special commissions: one on the initiative of President L. Johnson and headed by B. Marshall, and the other on the initiative of the House Armed Services Committee and headed by General M. Clark.

The practical side of the matter was investigated by a commission headed by former Secretary of Defense T. Gates and created in March 1969. A government program envisaging the complete elimination of the draft by the middle of 1973 was drawn up on the basis of its recommendations.

There were heated debates between supporters and opponents of a volunteer army for the next 3 years. The arguments of its opponents were essentially the following:

The acceptability of the price of the transition to a professional army: Many doubted that a professional army could be funded without putting an excessive burden on the budget;

The need to develop a reserve training system, which would be absolutely essential in the event of transition to a professional army, to secure mobilization potential; the controversy here was over sources of additional funds;

The threat of the deterioration of personnel quality: There was the fear that the volunteers would be youths from relatively poor families, individuals not distinguished by a high level of education or intelligence, and members of ethnic minorities;

The threat of undermining the country's defensive capabilities, because only the relatively small group of youths choosing to spend a comparatively long period of time in the service would acquire military skills, while the majority would lose the conviction that national defense was the obligation of each citizen;

Finally, the concern about the preservation of democratic institutions raised questions about the social implications of the inevitable increase in militaristic feelings resulting from the creation of a large, well-armed social group united by professional interests.

All of this raised some extremely complex questions, and it would be difficult to answer some of them unequivocally even today. Some, however, can be answered categorically. This applies above all to problems in financing the professional army. The opponents of this system expressed the opinion that the resulting annual increase

in military spending would be around 17 billion dollars a year. In reality, the increase was much more modest. According to the estimates of the Brookings Institution, expenditures connected directly with the transfer to the new system amount to around 3 billion dollars in 1973. Programs to improve the living conditions of servicemen, which could be viewed as a method of attracting volunteers, cost another billion or so. The Defense Department itself estimated the additional cost of transferring to a professional army at 1.9 billion dollars in fiscal year 1972 and 2.7 billion in 1973.²

In 1978 the congressional General Accounting Office conducted a detailed (in terms of 37 parameters) analysis of the additional costs of the professional army. In 1970 prices, they were the following (in billions of dollars):³ 0.08 in FY 1971, 1.37 in 1972, 2.68 in 1973, 2.65 in 1974, 2.49 in 1975, 2.81 in 1976, and 1.98 in 1977.

Proportional expenditures on personnel maintenance in total defense spending began decreasing substantially in the 1970s. Whereas this item accounted for 37 percent of all military expenditures in 1970 and 38 percent in 1973, the figure was 30 percent in 1980 and 26 percent in 1989.⁴ A return to the compulsory draft today, according to Defense Department estimates, would necessitate additional annual expenditures of 2.5 billion dollars. Therefore, the increased financial burden connected with the transfer to volunteer enlistment turned out to be much smaller than the one predicted by the opponents of this move.

Today we can definitely say that the transfer to a professional army considerably improved the quality indicators of personnel, their level of education, and their scores on the qualifying examinations the volunteers have to take. New recruits are divided into four groups on the basis of test scores (those falling into a lower, fifth category are not accepted for military service). Perceptible improvement in the quality characteristics of volunteers for military service was recorded in the years of the Reagan administration. In 1980 the proportional number of new recruits falling into the lowest, fourth category was limited to 20 percent of the total number accepted for service in each branch of the armed forces, and by 1983 fully 89 percent of the new recruits were in the three highest categories.

In 1983 servicemen began to be recorded in government statistics as one segment of the hired labor force. The Reagan administration's efforts to make military service more appealing to youths by providing stronger economic incentives in the first half of the 1980s considerably improved the quality indicators of the personnel of the American Armed Forces. In 1988 only 5 percent of the new volunteers had test scores in the bottom fourth. Military experts agreed unanimously that the compulsory draft had never produced U.S. military personnel of this quality. Now 95 percent of all servicemen have a secondary education, 84 percent of them renew their contracts, and the average term of service is 6.25 years.

The effects of personnel quality on the combat effectiveness of armed forces can be illustrated with historical examples. The following data were cited in MEZHDUNARODNAYA ZHIZN: The 10 best German pilots in World War II shot down a combined total of 2,588 planes. More than half (over 24,000) of the 45,000 Soviet planes lost in air battles were shot down by only 300 German pilots.⁵

Under present conditions, the dependence of "pilot efficiency" on the quality of training and talent is probably even stronger. According to the combined statistics of major wars in recent decades (in Korea, Vietnam, and the Middle East), for example, 80 percent of the planes lost in air battles were shot down by 20 percent of the pilots.⁶

Nevertheless, although estimates of the higher cost of an all-volunteer army were clearly too high, and although the conjectures about the deterioration of personnel quality were easily refuted, the arguments about the need to create a special system to train reserves for rapid deployment in the event of mobilization were completely valid. It is true that the system of general military conscription means that most of the male population of the country performs military service and that the men who served a comparatively short time ago make up a combat-ready reserve, which can be called up and deployed relatively quickly in the event of mobilization because it consists of people with a military specialty and skills acquired in recent service in the armed forces.

In a professional army, which cannot, in peacetime, achieve the dimensions required for mobilization, reservists have to be treated as a separate group of military professionals, needed for the immediate mobilization of replacement troops until the draft—and mobilization will mean the partial or complete abolition of volunteer service—is set in motion and can secure the necessary replacement troops and the training of new recruits.

This kind of reserve training system does exist in the United States and warrants special discussion.

Organization and Structure of Reserve Components of Armed Forces

In terms of administrative jurisdiction, peacetime reserves are divided into the National Guard and the reserves of different branches of the armed forces. Although National Guard units are also regarded as Army or Air Force reserves (there are no National Guard units in the Navy) and will be part of these branches of the Armed Forces in the event of mobilization or a state of emergency, in peacetime the National Guard units are under the jurisdiction of the governor of the state where they are located.

In terms of mobilization readiness, the U.S. reserve forces fall into three basic categories:

The first-echelon or combat-ready reserve (Ready Reserve [in English]), with a numerical strength of around 1.6 million;

The second-echelon reserve (Standby Reserve [in English]), made up of around 40,000 people, including personnel with combat training who have served in the regular forces or selected reserve for at least 6 years and will be assigned to reserve units until the age of 60;

The third-echelon reserve (Retired Reserve [in English]), with a numerical strength of around 180,000 (according to the estimates of the London International Institute for Strategic Studies),⁷ consisting mainly of retired servicemen between the ages of 45 and 60 who served in the regular forces or the selected reserve for at least 20 years.

The most significant of these is the Ready Reserve, because it is the most combat-efficient component and actually consists of National Guard and Reserve units, whereas the reservists of the second and third categories are not called up for combat training sessions in peacetime. This reserve is made up of three groups:

The organized reserve (Selected Reserve [in English]), made up of 1.15 million people, is organized in companies, units, and subunits similar in structure to regular forces;

The individual combat-ready reserve (Individual Ready Reserve [in English]), which includes the combat-trained personnel intended for the augmentation of regular and reserve units and replacement of lost personnel. This reserve is particularly important in the first 120 days of a conflict, while the draft system is being organized and draftees are being trained;

The inactive National Guard (Inactive National Guard [in English]) includes the specialists who are not called up for training sessions in peacetime but are officially assigned to specific National Guard units in the event of mobilization. The numerical strength of the last two categories of the Ready Reserve exceeds 500,000.

The Selected Reserve strength of different branches of the Armed Forces is the following:

Army: 453,000 in the National Guard and 319,000 in other Selected Reserve units;

Navy, including the Marine Corps: 192,000 in the Selected Reserve;

Air Force: 113,000 in the National Guard and 80,000 in other Selected Reserve units.

All units of the Selected Reserve include career military personnel, for whom service in these units is their permanent and only assignment, and registered reservists from among the civilian inhabitants of the region where the reserve unit is located. The reservists assigned to these units take part in combat training exercises on a permanent basis. They are usually called up for training

sessions of Selected Reserve subunits 2 days a month (usually one weekend) and for 2 weeks in the summer.

The career military personnel in Selected Reserve units number around 170,000, or 14.5 percent of the total strength. The rest, around 1 million people, are civilians who leave their permanent civilian professions only when they are called up for combat training sessions. The reservists, just as the soldiers of regular units, are paid a salary, but this is only to compensate them for the time they spend in training sessions. The average annual salary of servicemen in regular units is \$14,300, and it is only \$3,800 in the Selected Reserve.

According to American data, in the National Guard units of the Army, considered to be the most combat-efficient group of reserve personnel, the average reservist spends 47 days in combat training each year.⁸ Therefore, the reserve units are close to regular troops in terms of career personnel, but in terms of assigned personnel they are closer to territorial units in peacetime because of the principles of their organization.

The level of the mobilization readiness of Selected Reserve units, especially the Army Reserve, is being widely debated in the United States. As we said, the Selected Reserve of this branch of the armed forces includes National Guard units (around 450,000 men) and another 319,000 in other reserve units and subunits. If we add the Individual Ready Reserve of the Army, not assigned to specific units and subunits, the combined reserves of the Army, not counting the National Guard, number more than 600,000 men.

According to American estimates, the deployment of National Guard and Reserve units in the event of mobilization should supply 55 percent of the infantry, 45 percent of the armored troops, 49 percent of the mechanized infantry battalions, 61 percent of artillery battalions, and 68 percent of combat and logistic support troops.⁹ The Army Guard includes 10 divisions (2 armored, 2 mechanized, and 6 infantry), 17 separate infantry, mechanized, and armored brigades, and 4 armored cavalry regiments, as well as various logistic and combat support subunits and separate battalions.

The rest of the Army Reserve is organized in 12 training divisions, 3 training brigades, 3 separate brigades, 71 separate battalions, and 3,225 separate companies and smaller combat and logistic support units. The Army Selected Reserve includes, in addition to the National Guard, 32 percent of the combat and logistic support and 15 percent of the fighting units not included in the division structure.

According to the plans for the use of the Selected Reserve in the European theater, around 20 percent of the Selected Reserve units not belonging to the National Guard should arrive in Europe within the first 30 days after the start of mobilization, another 64 percent should arrive the second month, and the remaining 16 percent should arrive within 90 days. These optimistic indicators, however, are considered to be unattainable at the

present time. The main reason, according to American experts, is the inadequate equipment and weapons of these units and the many obsolete and unreliable systems that cannot be used in combat.

Besides this, people in the United States feel that the reservists' level of combat efficiency is incompatible with the level of the personnel of regular forces. The combat efficiency of subunits on the battalion level in the Army National Guard, and this is the most highly trained group of reserves in this branch of the Armed Forces, is 30 percent lower than in the regular forces.

In regular Army units the average annual amount of time spent on combat training is 161 days, but in the reserves it is 39 days. The distances between various facilities of reserve subunits present particular difficulties in the organization of combat training. The average reservist in a reserve battalion or company has to travel 100 miles (160 km) from his place of residence to headquarters, 130 miles to the main weapon and materiel depots, and more than 150 miles to firing ranges or training camps.¹⁰

According to American estimates, Army Selected Reserve units, not counting the National Guard, have 64 percent, in terms of cost, of the field gear and equipment they need in peacetime, and 35 percent of the amount they need to perform their projected functions in wartime.

The **Air Force Reserve** includes a National Guard (24 air wings, 96 squadrons, and 818 planes of various types) and the reserve itself (19 wings, 58 squadrons, 37 of which are equipped with aircraft, and 241 planes of various types). The numerical strength of the Air Force Selected Reserve is 113,000 in the National Guard and 80,000 in other reserve units. The addition of the Individual Ready Reserve brings the number up to 128,000.

The numerical strength of the Air Force Selected Reserve, excluding the National Guard, almost doubled between 1973 and 1990 (from 44,000 to 86,000, the projected figure for 1990).¹¹ The National Guard of the American Air Force, according to U.S. experts, ranks fifth among the world's air forces in terms of personnel and aircraft numbers. When reserve units are equipped with modern F-15 and F-16 planes, they will be expected to perform most of the functions of regular units. In general, the Air Force Guard and Reserve account for the following percentages of functions performed:¹² 74 percent of air defense, 59 percent of tactical airlifts, 53 percent of strategic airlifts (flight personnel), 33 percent of tactical fighter aviation, 21 percent of aerial refueling, and 50 percent of tactical reconnaissance.

The **Selected Reserve of the Navy**, including the Marine Corps, is made up of 192,000 men. The addition of the Individual Ready Reserve brings the figure up to 313,000. The Naval Reserve, not counting the Marine Corps, includes 46 surface ships: 1 destroyer, 22 frigates, 18 minesweepers, 2 amphibious warfare ships, and 4 auxiliary vessels. They are part of the naval fighting forces, but 70 percent of their crews are servicemen on

active duty and 30 percent are reservists, which imposes some restrictions on the possibility of using them in peacetime.

The Naval Air Reserve includes 247 different types of planes and 52 helicopters.

The **Marine Corps Reserve** includes one Marine division and one missile air defense battalion. The reserve air forces of the Marine Corps consist of one air wing with 102 planes and 8 helicopters.

Therefore, the transition to a professional army requires the organization of a system for the training of reserve mobilization forces, but this naturally costs much less than the maintenance of regular units of the same size. Besides this, the absolute majority of reservists do not have to interrupt their civilian activities and join various branches of the Selected Reserve on a voluntary basis.

The use of the Selected Reserve in a crisis was illustrated graphically by the U.S. President's decision to call up part of the reserve (around 50,000 men) in connection with the events in the Persian Gulf. This has applied mainly to reservists with specialties in much greater need during operations in this zone.

As we mentioned above, in the professional army some types of military activity are performed largely by reservists, and others are performed almost entirely by reservists. This is why specialists are being called up for active duty in increasing numbers for air and sea transport operations, the provision of troops with food and water, land transport operations, and materials handling, as well as medical personnel and others.

The partial mobilization of reservists in connection with the crisis in the Persian Gulf provides an opportunity to assess the role and place of the Selected Reserve in the system for the mobilization of the U.S. Armed Forces. It also provides graphic proof of the inaccuracy of including the Selected Reserve among regular troops, as our press frequently does, if only because reservists become military personnel only after fairly complex and lengthy mobilization operations have been completed.

Experience of U.S. Volunteer Army and Problems of Military Reform in USSR

Today, 17 years after the United States made the transition to volunteer enlistment, the positive results of this move are obvious. They refuted many of the doubts of skeptics, and the problems that have arisen have not shaken the existing public consensus with regard to the accuracy of the chosen approach. The recruitment procedure, however, is still being debated. Definite objections to a mercenary army have been voiced, and attempts have been made on the legislative level to propose various organizational patterns essentially representing a combination of voluntary and compulsory service.

The cost of training and maintaining soldiers rises constantly. Whereas each soldier cost \$16,100 (in 1986

prices) a year in 1964, the figure was already \$22,000 in 1986. If we include government expenditures on the construction of housing, medical care, and the education of members of servicemen's families, the respective figures would be \$18,900 and \$28,700.

The attraction of volunteers is not that easy, even with the previously mentioned financial benefits. The armed forces need approximately 450,000 new volunteers each year—320,000 for active duty, 100,000 for service in the reserve, and around 30,000 more to augment the officer corps. This is accomplished with a variety of government programs.

The institution of an all-volunteer army, according to American experts, influenced its social and ethnic composition. In 1972 black Americans represented 17 percent of the regular forces, but the figure was 30 percent in 1987. A study conducted by the Brookings Institution in 1982 indicated that 42 percent of the skilled black youths were entering military service, in contrast to 14 percent of the white youths.

In 1982 an office of the U.S. Defense Department was requested to investigate the possibility of a limited draft to compensate for a possible shortage of volunteers. According to its estimates, the need for draftees would not be too great in this case and would amount to 30,000-40,000 men a year. A lottery system for the selection of draftees was proposed. With a view to its obvious unpopularity, the restoration of the system of universal military training was also proposed, in accordance with which the entire male population of the country would have to undergo 6 months of basic training and subsequent assignment to various types of reserve military units.

Proposals have been introduced and are still being introduced on this matter in Congress. In 1972, for example, Congressman J. Bingham introduced a bill proposing the nationwide registration of all young men who had reached the age of 17, with their subsequent choice of one of three options: military service, alternative civil service (for example, as a hospital attendant), or participation in the lottery for selective service. This bill did not go beyond the committee of its origin.

In 1975 Congressman P. McCloskey proposed the national registration of youths of both sexes, with their subsequent choice of 2 years of active duty, 6 months of basic training and a subsequent reserve assignment, a year of civil service, or, finally, participation in a draft lottery. It was not passed either.

A proposal by Senator C. Pell took the initiative further. He combined participation by youth in military or civil service with eligibility for government education grants in a single bill. In accordance with this bill, young people in military or alternative government service would receive a monthly allowance of \$600 for 2 years, and those who entered college upon the completion of this service would be eligible for another \$250 a month for a year and a half.

Variations on this proposal, linking the eligibility of college students for federal assistance with military or alternative civil service, are also being discussed at the present time. To date, however, no serious changes are envisaged in the system of recruitment on a voluntary basis. Even the prospect of the nationwide registration of youth is viewed as a serious violation of civil rights and would be difficult to institute. Apparently, the foreign policy situation or the demographic situation within the United States would have to grow much worse before the idea of even a partial draft could win enough support there.

What conclusions can we draw from the American experience for the planning of military reform in the USSR? First of all, the need for an emphasis on quality parameters in the organizational development of the armed forces, with which our military leadership agrees, leads unavoidably to the conclusion that the basis of the armed forces should consist of a professional army much smaller than today's, which might be supplemented with a system of combat training in reserve and territorial units. This is an extremely complex matter with many facets and, in view of our lack of historical traditions and experience in this area, it can only be accomplished gradually. The general guidelines of long-range strategy, however, must be defined now.

How do we plan to keep our armed forces "competitive" when they are made up largely of "amateurs"? For instance, if we assume that our tank is technically not inferior to the American tank, but the members of the American crew are permanently assigned to the tank for 5 or 6 years and have an opportunity to conduct training exercises with the tank for much longer periods each year and to fire 10 times as many rounds as their Soviet counterparts, as well as having an incomparably better supply of spare parts, what advantage could we have other than high morale and political unity?

It must be said that the idea of a professional mercenary army is unanimously opposed by our military leaders, although they are just as unanimously concerned about the quality parameters of the army. The main argument is that it would be expensive and socially unjust. Of course, it is extremely encouraging to know that our military is striving to save the people's money, but we should calmly decide, without excessive emotion, whether we are putting ourselves in the position of the proverbial "cheapskate" who "has to pay twice."

Although we are also wary of the unmanageable growth of military expenditures in the event of a transition to a professional army, no one has cited any specific figures. They have only said that we cannot afford this yet. No one, however, is even suggesting that the transition has to be made tomorrow. It will simply be a matter of setting some medium- and long-range points of reference in our approach to military organizational development. In the second place, allusions to colossal expenditures are no substitute for specific figures in this case.

First of all, we have to answer the question about the sources of funds for the transition to the professional army. In the first phase most of the funds could be raised by rechanneling part of our military budget. In the American defense budget for fiscal year 1990, requests for funds for weapons and materiel purchases amount to 83.8 billion dollars, or 28.6 percent of the total budget. The maintenance of purchased weapons and materiel in normal operating condition is expected to cost 85.2 billion (29 percent). Another 78.7 billion (26.8 percent) will represent an investment in the human individual—i.e., the money paid to the servicemen who will operate this equipment and maintain its combat efficiency. After spending 83.8 billion dollars on the acquisition of equipment, the United States plans to invest 164.1 billion, or 55.8 percent of the budget, in what we refer to as Army and Navy maintenance. The ratio of purchases to maintenance expenses is 1:2.¹³

Now let us take a look at our own military budget for 1989. We spent 32.6 billion rubles, or 42.2 percent of the budget, on weapons purchases. In 1989 we still did not know how the expenditures included in the item "Army and Navy maintenance" were distributed—how much was used to pay military personnel and how much paid for the maintenance and operation of physical equipment. Both were combined in the single sum of 20.2 billion rubles, or 26.1 percent of the budget. The ratio of purchases to maintenance costs was 1.6:1. In other words, it was almost the opposite of the American ratio.¹⁴ There was an obvious emphasis on military purchases in 1989—i.e., the manufacture of equipment already in series-production. These budget priorities did not correspond well to the declared emphasis on quality.

What changes did the structure of our military budget in 1990? We spent 31 billion rubles, or 43.7 percent (!) of the total, on military purchases. A recent article in *KRASNAYA ZVEZDA* said that the 19.3 billion rubles, or 27.1 percent of the total budget, used for Army and Navy maintenance consisted of payments of 6.8 billion (9.6 percent) to personnel and expenditures of 12.5 billion (17.6 percent) on the maintenance and operation of materiel.¹⁵ Besides this, proportional R & D expenditures in our military budget decreased from 19.8 to 18.6 percent in 1990.

The dynamics of our military budget do nothing to corroborate the declared emphasis on quality factors in military organizational development. On the contrary, there is an obvious increase in gross military purchases of weapons already mastered and series-produced (the proportion accounted for by them in the military budget rose 1.5 percentage points) and a completely inexplicable ratio of weapons purchase expenditures to maintenance and operation costs.

Therefore, the restructuring of our military budget must be given serious consideration so that it can be brought in line with our declared political goals and objectives. We can begin by dividing our present military budget

into the same proportions as the present American budget, but with no change in its size.

This would provide 20.3 billion rubles for military purchases instead of the present 31 billion, 8.9 billion for military R & D instead of the present 13.2 billion, 19 billion for servicemen's pay instead of the present 6.8 billion, and 20.6 billion for the maintenance and operation of equipment instead of the present 12.5 billion. Quite honestly, this distribution of funds seems much more reasonable than the present one. Of course, this redistribution might not arouse much enthusiasm in those who develop, produce, and purchase weapons. After all, the people responsible for each new weapons system or new model of this system (and this is probably one of the reasons we have so many of them) can expect at least the State Prize, if not the Lenin Prize, and many orders and medals, whereas the most they can expect for improving the living conditions of military personnel or enhancing their professional skills is the gratitude of their commanding officers.

Within the framework of this hypothetical distribution of military budget funds, each serviceman could already be paid around R400 a month even if the present number of 4 million armed forces personnel were to be maintained. There would also be a sizable increase in funds for the enhancement of professional skills. Of course, this military budget structure is only an example. A simple facsimile of proportional American budget expenditures cannot serve as a convincing basis for changes in the structure of our own budget.

It is possible that we should retain the higher level of expenditures on military R & D to maintain and improve the quality characteristics of the equipment of our armed forces, but it is completely obvious that military purchase amounts—i.e., expenditures on the acquisition of developed, series-produced equipment—need serious reconsideration and reduction. Additional opportunities to enhance the quality parameters of our armed forces are connected with the reduction of the number of personnel. Besides this, a higher level of professionalization in the armed forces could produce a substantial savings in annual expenditures on the training of colossal numbers of new conscripts. The savings could be invested in social programs to give professional servicemen the necessary social status and living conditions.

A long-range strategy to enhance the appeal of military service to youth should also be considered. Without this, we cannot expect to get the necessary number of volunteers. A program giving professional servicemen priority in housing allocations could be an important way of enhancing the appeal of military service. Redirecting part of the billions now spent on purchases of new weapons into the construction of housing for servicemen would have a much more perceptible effect on our defensive capabilities than the augmentation of our arsenals.

Footnotes

1. D.T. Yazov, "The Search for a New Security Model," *KRASNAYA ZVEZDA*, 20 June 1989.
 2. M. Laird, "Progress in Ending the Draft and Achieving the All-Volunteer Force," Washington, 1972, p 9.
 3. "Additional Cost of the All-Volunteer Force," Washington, 1978, p 3.
 4. Budgets of the U.S. Government for the corresponding years.
 5. V.V. Shlykov, "Who Should Plan Military Strategy?" *MEZHDUNARODNAYA ZHIZN*, 1989, No 4.
 6. V.K. Babich, "Aviatsiya v lokalnykh voynakh" [Air Forces in Local Wars], Moscow, 1988, p 118.
 7. "The Military Balance," London, 1989, p 16.
 8. M. Binkin and W. Kaufmann, "U.S. Army Guard and Reserve: Rhetoric, Realities, Risks," Washington, 1989, p 112.
 9. "Reserve Component Programs, Fiscal Year 1988," Report of the Reserve Forces Policy Board, Washington, 1989, p 18.
 10. M. Binkin and W. Kaufmann, Op. cit., pp 98-99.
 11. *AIR FORCE MAGAZINE*, September 1987, p 104.
 12. Ibid., p 107.
 13. "Budget of the U.S. Government, FY 1990."
 14. *PRAVDA*, 11 June 1989.
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From Balance of Power to Balance of Interests

914K0012E Moscow SSHA: *EKONOMIKA, POLITIKA, IDEOLOGIYA* in Russian No 10, Oct 90 (signed to press 28 Sep 90) pp 114-116

[Review by V.V. Udalov of book "Sovetskiy Soyuz i SSHA: poisk balansa interesov" [Soviet Union and United States in Search of a Balance of Interests] by S.M. Rogov, Moscow, *Mezhdunarodnyye otnosheniya*, 1989, 344 pages]

[Text] The rapid changes which are taking place in international affairs under the influence of the new political thinking have made national interests a central factor in the foreign policymaking of many states. These interests are justifiably viewed as stable and objective points of reference, something like a set of foreign policy "moorings," capable of replacing the earlier set of coordinates. This is being accompanied by a reassessment of the methods of carrying out foreign policy activity, in

favor of political means of settling international problems. These two policymaking principles are united by the idea of the balance of interests.

In spite of the popularity of this idea, it is still one of the least studied elements of the new foreign policy philosophy. In essence, it has been defined only in a "negative" sense: The balance of interests is not a balance of power. But whereas the machinery of the balance of power was studied thoroughly for a long time, the methods of building a balance of interests are just beginning to be outlined.

It is probable that S.M. Rogov is the first to deal specifically with this issue on the academic level. His articles on the interaction of USSR and U.S. interests were a clear indication of his interest in the subject.¹ The opinions he expressed are confirmed and amplified in his recently published book.

This profound and intelligent book is certain to arouse the interest of researchers of American affairs—experts on military-political, economic, and ideological affairs, historians, and theorists of international relations. All of them will find many original and insightful observations in the work with regard to various aspects of Soviet-American relations throughout the history of the two states' interaction.

This makes it all the more important to mention the questions the book, in spite of all its indisputable merits, fails to answer.

In spite of the author's announced intention to "delve into the conceptual basis" (p 12), he does not seem to have achieved complete clarity. This applies above all to the relationship between the balance of power and the balance of interests. Regrettably, S.M. Rogov essentially goes no further than the comparison that has long been a staple of our foreign policy journalism and even of fundamental documents, a comparison which is polemically convenient but explains little: The policy of the balance of interests is "an alternative to the policy of the balance of power" (p 11), its "opposite or antipode" (p 321).

Yes, in a certain sense the emphasis on a balance of interests is a denial of the balance of power tactic: It comes into being when politicians realize the futility of confrontation under the conditions of a stable equilibrium of power and signifies the rational choice of another, basically nonviolent method of solving the problem. This, however, does not cause the interests of states to stop representing essential "doubles" or projections of their foreign policy potential, and the balance of these interests turns into a unique and modified form of the actual distribution and correlation of these states' real influence in international affairs. Furthermore, the incentives to balance interests grow out of the depths of the balance of power and are the result of the distinctive features of its quantitative and qualitative development.

Therefore, today it is less necessary to state the difference between the balance of power and balance of interests than to reveal the mechanism of transition from one to the other.

We can only regret that the author did not do this and did not even give the matter enough consideration. As a result, the first part of the book, entitled "The Deadlock of the Balance of Power Policy," turned out to be essentially descriptive, although the information in it is closely related to the general theme of the book. Whereas the initial sections of the work, dealing with the achievement of nuclear parity and the related thorough reassessment of the role of military force, reveal signs of this kind of "penetrating" analysis, the later discussion of the military aspects of the international situation in the 1970s and 1980s has only an extremely fragmentary connection with the topic of the balance of interests and is too detailed.

There are similar flaws in the sections in which the author attempts to explain exactly what the balance of interests is, including its application to Soviet-American relations.

The author substantiates his approach to the matter by presenting a theory of the interaction of interests, originally proposed by G.A. Trofimenko and I.L. Sheydina and already examined by S.M. Rogov in the articles mentioned above, in accordance with which interests can be categorized as conflicting, diverging, parallel, and common (pp 304-305). The validity of dividing them into these four groups is questionable. It is probable that the author got the idea from his own description of the four distinct patterns of behavior in the history of Soviet-American relations (military conflict, cold war, detente, and military-political alliance) and from analogies like "parallel action—parallel interests."

According to S.M. Rogov's chosen scale of "mutual repulsion—mutual attraction," three categories seem more logical: conflicting interests, causing irreconcilable hostility between the sides; their opposite—interests leading to cooperative interaction and presupposing the complete unity of action; and neutral interests. All intermediate gradations would be the result of the varying proportions of these three components in the total set of interacting interests.

This would call for some adjustment in the author's idea that the "balance of interests...can be achieved through the expansion and consolidation of spheres of common and parallel interests and the contraction of the spheres of diverging and conflicting interests" (p 310). It would probably be more correct to say that the group of conflicting interests should be balanced with the group of cooperative interests.

In general, however, these objections are not fundamental: In both cases, the crux of the matter is the balance between conflict and cooperation. It is much more important to stress that this interpretation of the balance of interests would represent an important

advance in comparison with the, quite frankly, somewhat oversimplified view of this principle that reduces the entire matter to a compromise of diametrically opposed interests for the sake of preserving some kind of common values. The main distinction here is that cooperation does not eliminate conflict and certainly does not resolve it (it would be naive, to say the least, to expect this to occur in an atmosphere of consistently irreconcilable interests), but simply makes it secondary, lessens its intensity, and redirects it into calmer and more peaceful channels.

It is also significant that the author did not escape the influence of the theory of the "omnipresence" of compromise: Variations on this theme can be found occasionally in the text. Apparently, he was misled by what might be an excessively loyal attitude toward the statements of our official spokesmen, in which the idea of the balance of interests is only proposed, but has not been "perfected" yet by discerning scientific analysis.

The main question, however, is—and this is no longer a matter of theory, but one of the actual problems facing politicians and diplomats—how can the set of cooperative interests be combined in an entity capable of counteracting the potential for conflict? In the author's opinion, this occurs as a result of the evolution of conflicting (according to his categorization) interests into diverging ones, diverging interests into parallel ones, and parallel interests into common ones (pp 304-306). A slightly different premise could probably also be used as the basis: What occurs is not the "movement" of interests along the scale ranging from conflict to cooperation, but the appearance (or disappearance) of new interests at different points on the scale as a result of objective needs or their subjective realization. Even this approach, just as the one proposed by S.M. Rogov, is only a hypothesis today, requiring thorough theoretical substantiation and historical confirmation. The reader would be justified—judging by the title of the work—in expecting the author to conduct precisely this kind of analysis.

As it turned out, however, a large portion of his discussion, which is, I repeat, extremely interesting and which contains genuine scientific insights, serves other, more traditional purposes. There is the impression that these sections are the main part of the work, while the reflections on what would seem to be the principal issue in this context, serve as something like a conceptual framework (in the introduction and conclusion). These two lines of reasoning, concerning the evolution of the "substance" of Soviet-American relations and their transformation in line with the "balance of power—balance of interests" paradigm, coincide only sporadically, when elements of the second are dispersed into the first.

They could have been organically united if, for example, the entire work had been based not on an analysis of different spheres of Soviet-American interaction—ideological, economic, geostrategic, and military-political—as in this case, but on the listed four types of

relations between the USSR and the United States. Then the analytical thrust of the study would have consisted in a thorough disclosure of the effects of power and the combination of interests, which would determine the configuration of each of these patterns of behavior and their intersupplementary nature. This kind of framework would probably have led to a more precise analysis of, in particular, the nature and role of the ideological factor: Is it an objective imperative with its own dynamic or is it simply a set of cleverly designed ideological mechanisms for mystification and the consequent promotion of the genuine, "worldly" interests of states?

This kind of restructuring of the contents, however, would have produced a completely different book. In its absence, we must appreciate what S.M. Rogov has already done, and done well, and treat his work as a sound basis for alternative lines of investigations, and we hope that he will also continue his own investigation.

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What Military Conversion Will Give Mankind

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[Review by Yu.I. Bobrakov and V.P. Konobeyev of book "Making Peace Possible. The Promise of Economic Conversion," edited by Lloyd J. Dumas and Marek Thee, New York, Pergamon Press, 1989, x + 317 pages]

[Text] Now that Soviet-American agreements have served as the basis for the first actual steps toward real disarmament, the world public is taking a much greater interest in the problems of conversion, in the specific ways of freeing the resources that were absorbed by the arms race for many years and making them available for civilian uses.

"Conversion: An Idea Whose Time Has Come"—the title of the preface to the work being reviewed, written by 18 prominent economists from several Western countries, defines the purpose and content of this profound and multifaceted work in the most precise terms.

Various aspects of disarmament and its relationship to socioeconomic development in individual countries and in the world as a whole are discussed in the work. The main topic is the conversion of military production, its problems and possible solutions, and its anticipated impact.

The authors categorically refute the still common Western belief in the beneficial effects of military spending on the economy. "Goods and services," renowned American economist L. Dumas writes, "have economic value only when they contribute to the material standard of living.... It is time for mankind to give up the centuries-old idea that 'If you want peace, prepare for war,' and realize the need for a new definition of

security, which cannot be based on mountains of weaponry. The efforts of governments, academics, and the entire world public should be aimed at creating a truly peaceful economy, which, in Michael Renner's words, "would mean much more than the absence of wars and military production. It could only be called peaceful in the absence of serious social, economic, political, and ecological conflicts...between nations" (p 38).

The topic of economic conversion is a constant theme of the book, although this is still the missing link between disarmament and socioeconomic development. The authors underscore the need for thorough and timely preparations for the difficult process of converting the military economy for civilian functions. The preparations are described as a group of political, social, and public-information measures in addition to economic undertakings.

Professor L. Dumas presents an informative analysis of the conversion question. On the one hand, he stresses, conversion is not a simple matter. It will require a thorough understanding of the differences between military and civilian production. Neither the market economy nor the planned economy has any miraculous device or automatic switch to guarantee a quick transition from military to civilian production (p 225). Therefore, conversion will require a comprehensive program and concrete plans for each defense enterprise, establishment, and military base.

By the same token, conversion presupposes several practical steps to lay the organizational foundation for the effective transfer of personnel, equipment, and enterprises from military to civilian operations. Conversion could be accomplished quite successfully and without any upheavals in any economic and political system, but it is important to realize that the process will take time and that there is no point in waiting for the start of arms reductions.

The work also mentions the need for political conversion. This will require the elucidation of the factors promoting the arms race and militarization and the determination of the specific factors engendering or compounding the kinds of conflicts that governments are inclined to settle by military means. The political leadership in all countries must realize that mankind's chief objective consists in stopping and reversing the arms race and the slide toward nuclear disaster.

The authors underscore the importance of explanatory informational work, which should convince the public of the vital need for the radical curtailment of military-economic operations and the possibility of the conversion of defense institutions without any economic upheavals and assure the public that the people affected by this restructuring will retain their material well-being and security. According to Norwegian researcher Marek Thee, the explanatory work in this area is still in its embryonic stage. The fear of immediate losses due to cuts in defense spending are worrying many people

connected with the military sector because there are no published plans for conversion and, consequently, no assurances of future well-being.

One of the chapters in the book deals with the conversion of nuclear weapons enterprises, the civilian use of which will require much more effort, time, and money than the conversion of plants producing conventional arms.

According to American researcher Paul Quigley, the analysis of the problems of conversion to date has been flawed by the tendency to overlook the connection between conversion and the arms trade. The giant American McDonnell-Douglas, General Dynamics, and Boeing corporations, however, exported more than 10 percent of their military products in 1984 (p 72). The percentage is even higher for European firms, and this helps them keep their surplus production capacities operational. The preparations for conversion, Quigley stresses, should presuppose the limitation of military exports, because the possibility of selling military equipment abroad weakens the incentives for conversion.

Professor Seymour Melman, the author of many works on the military economy, particularly its conversion for civilian operations, feels that conversion should compensate for the losses caused by the inflated defense sector of the economy and relieve participants in disarmament talks of their remaining fears of "unacceptable" losses due to radical reductions in arms and military spending. An essential condition for successful preparations and for the process of conversion itself in the military sector is a law stipulating the procedure for the establishment of the necessary planning and coordinating bodies, the financing of conversion, the rights and obligations of all participants in the process, the means of providing them with the necessary information, and the establishment of a professional retraining system.

The book is full of interesting facts and statistics on the problems of conversion in various countries. For researchers of American affairs, the analysis of these problems in the United States will be of special interest. This section takes up more than a third of the book and examines the reorganization of the educational system in the context of conversion, the objectives of conversion in specific regions and states (using the State of Massachusetts as an example), the problems of stopping the production of nuclear arms, the legal aspects of conversion, etc.

All of the arguments cited in the book support the view that the conversion of military production for civilian purposes is a way of laying a foundation for the peaceful and economically stable existence of mankind.

The book might be of interest to military economists and other professionals concerned about conversion operations at defense plants.

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Articles Not Translated

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